### ARTICLE 20:14

### **APPRAISERS**

Chapter	
20:14:01	General provisions.
20:14:02	Administration.
20:14:03	Application procedure.
20:14:04	Transactions requiring qualified appraisers.
20:14:05	Qualifications for certification, licensure, and registration.
20:14:06	Appraisal standards.
20:14:07	Records.
20:14:08	Appraiser independence.
20:14:09	Professional membership and competence.
20:14:10	Fee schedule.
20:14:11	Complaints, investigations, and discipline.
20:14:12	Nonresident certification, licensure, and temporary practice.
20:14:13	Qualifying and continuing education.
20:14:14	Evaluation exemptions and standards.
20:14:15	Appraiser Experience Training Program.

**20:14:04:16. Supervisory appraiser approval renewal.** To renew any current supervisory appraiser approval the holder of the approval shall file an application on a form provided by the secretary between July 2 through August 16 and pay the renewal fee prescribed in § 20:14:10:02. The fee shall be paid to the secretary not more than 90 days and not less than 45 days before the expiration date of the supervisory appraiser approval.

**Source:** 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(4)(9), 36-21B-4(2).

### **CHAPTER 20:14:05**

## QUALIFICATIONS FOR CERTIFICATION, LICENSURE, AND REGISTRATION

## Section

Scotion	
20:14:05:01	Qualifications.
20:14:05:01.01	Qualifications for certified or licensed appraisers that move to the state.
20:14:05:01.02	Limited exemption for qualifications Military Repealed.
20:14:05:02	Examination.
20:14:05:02.00	Examination approval Time limit.
20:14:05:02.01	Experience requirements for state-registered appraiser.
20:14:05:03	Experience requirements for state-licensed appraiser.
20:14:05:03.01	Experience requirements for state-certified residential appraiser.
20:14:05:04	Experience requirements for state-certified general appraiser.
20:14:05:05	Acceptable experience.
20:14:05:05.01	Experience Review of appraisals by secretary.
20:14:05:05.02	Experience Documentation requirements.
20:14:05:05.03	Experience Time spent on the appraisal process.
20:14:05:05.04	Experience Time limit.
20:14:05:05.05	Experience Review of appraisals by secretary midway to upgrade.
20:14:05:06	Experience Verification.
20:14:05:06.01	Educational requirements for state-registered appraiser.

- 20:14:05:06.02 Education program for state-registered appraiser.
- 20:14:05:07 Educational requirements for state-licensed appraiser -- Appraiser education.
- 20:14:05:07.01 Educational requirements for state-certified residential appraiser -- Appraiser education.
- 20:14:05:07.02 Educational requirements for state-certified residential appraiser -- General education.
- 20:14:05:07.03 Repealed.
- 20:14:05:07.04 Alternative to general education requirements of the state-certified residential appraiser credential for state-licensed appraiser.
- 20:14:05:08 Educational requirements for state-certified general appraiser -- Appraiser education.
- 20:14:05:08.01 Educational requirements for state-certified general appraiser -- General education.
- 20:14:05:08.02 Education -- Real estate degree.
- 20:14:05:09 Repealed.
- 20:14:05:10 Transferred.
- 20:14:05:11 Education -- Time limit.
- 20:14:05:12 Repealed.
- 20:14:05:12.01 Substitution of education.
- 20:14:05:13 Transferred.
- 20:14:05:14 Transferred.
- 20:14:05:15 Transferred.
- 20:14:05:16 Transferred.
- 20:14:05:17 Transferred.
- 20:14:05:18 Repealed.
- 20:14:05:19 Upgrade of credential.
- 20:14:05:20 Repealed.
- 20:14:05:21 Acceptable alternative appraisal experience.

20:14:05:01.02. Limited exemption for qualifications -- Military. An applicant for

state licensed, state certified residential, or state certified general appraiser in the Reserve

components of the U.S. Armed Forces, who was pursuing appraiser licensure or certification prior

to December 1, 2011, and who was called to active duty between December 1, 2011, and December

31, 2014, may satisfy the qualifications required prior to July 1, 2014, for an additional time period

after January 1, 2015. The extension of time is equal to the applicant's time of active duty, plus an

additional 12 months Repealed.

Source: 41 SDR 217, effective June 29, 2015.

General Authority: SDCL 36-21B-3(1)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(6).

20:14:04:17. Responsibilities of the supervisory appraiser. The supervisory appraiser

for a state-registered appraiser is responsible for:

(1) Training, guidance, and direct supervision of the state-registered appraiser;

(2) Mentoring of the state-registered appraiser;

(3) Personally inspecting each appraised property with the state-registered appraiser until

the Supervisory Appraiser determines the Trainee Appraiser is competent to inspect the property,

in accordance with the competency rule of the Uniform Standards for Professional Appraisal

Practice for the property type;

(a) A minimum of 25 residential subject properties with the state registered appraiser if

the state-registered appraiser is seeking the state-licensed or state-certified residential

appraiser credential. If the state-registered appraiser seeking the state-licensed or state-certified

residential appraiser credential includes the appraisal of nonresidential properties, the supervisory appraiser shall personally inspect all nonresidential subject properties up to 15 properties with the state-registered appraiser; or

(b) A minimum of 15 nonresidential subject properties with the state-registered appraiser if the state-registered appraiser is seeking the state-certified general appraiser credential. If the state-registered appraiser seeking the state-certified general appraiser credential includes the appraisal of residential properties the supervisory appraiser shall personally inspect all residential subject properties up to 25 properties with the state-registered appraiser.

If the minimum personal inspections by the supervisory appraiser have been met and the state registered appraiser does not demonstrate competence in the appraisal work as required in § 20:14:09:02, the supervisory appraiser shall continue the personal inspections until competence is demonstrated.

If a state registered appraiser has more than one supervisory appraiser, all of the personal inspections of each of the supervisory appraisers may be totaled to meet the minimum personal inspections required by this subdivision;

- (4) Reviewing the state-registered appraiser's appraisal report to ensure adequately conducted research of general and specific data, proper application of appraisal principles and methodologies, sound analysis, and adequately developed analysis, opinions, or conclusions so that the appraisal report is not misleading;
- (5) Reviewing the state-registered appraiser's work product and discussing any edits, corrections, or modifications that need to be made to that work product for compliance with the uniform standards as incorporated in § 20:14:06:01;

(6) Accepting full responsibility for the appraisal report by signing the certification

certifying that the appraisal report has been prepared in compliance with the uniform standards as

incorporated in § 20:14:06:01;

(7) Signing the state-registered appraiser's appraisal log as applicable in § 20:14:05:05.01;

and,

(8) Jointly maintaining an appraisal log with each state-registered appraiser on a form

provided by the secretary that includes each appraisal performed by the state-registered appraiser

to ensure it is accurate. Separate appraisal logs must be maintained for each state-registered

appraiser.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010;

38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective

August 14, 2017; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(3)(16)(17).

20:14:05:02. Examination. An applicant for a state-licensed, state-certified residential,

or state-certified general appraiser credential must have completed the education and experience

requirements prescribed in this chapter prior to approval to sit for an Appraiser Qualifications

Board Approved Appraiser National Uniform Examination. An applicant for a state registered

appraiser credential shall have successfully completed the education prescribed in §

20:14:05:06.01 prior to approval to sit for an examination prescribed by the secretary.

An applicant for a state-certified general, state-certified residential, or state-licensed

appraiser credential approved to take the National Uniform Appraiser Examination may take the

examination no more than four times. If an applicant does not pass the examination on the fourth

attempt the application is no longer valid. The applicant may file a new application after a period

of six months from the date of the fourth failed exam.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997;

32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 38 SDR 214,

effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

**General Authority: SDCL 36-21B-3.** 

**Law Implemented:** SDCL 36-21B-3(5), 36-21B-4(3).

**Cross-References:** 

State-certified general appraiser education, §§ 20:14:05:08 and 20:14:05:08.01.

State-certified general appraiser experience, § 20:14:05:04.

State-certified residential appraiser education, §§ 20:14:05:07.02 and 20:14:05:07.03.

State-certified residential appraiser experience, § 20:14:05:03.01.

State-licensed appraiser education, §§ 20:14:05:07 and 20:14:05:07.01.

State-licensed appraiser experience, § 20:14:05:03.

State-registered appraiser education, § 20:14:05:06.01.

20:14:05:02.00. Examination approval -- Time limit. An applicant for a state-certified

general, state-certified residential, or state-licensed appraiser credential approved to take the

National Uniform Appraiser Examination, or an applicant for a state-registered appraiser

<del>credential approved to complete the examination prescribed by the secretary,</del> shall successfully

complete the examination within 24 months from the date of approval. If the applicant does not

successfully complete the examination within the time limit under this section, the applicant may

apply pursuant to § 20:14:03:01 and pay the application fee prescribed in § 20:14:10:01. The

examination is valid for a period of 24 months from the date of successful completion.

**Source:** 26 SDR 120, effective March 27, 2000; 32 SDR 109, effective December 27, 2005;

34 SDR 67, effective September 11, 2007; 44 SDR 27, effective August 14, 2017; 46 SDR 75,

effective December 4, 2019.

General Authority: SDCL 36-21B-3(5).

Law Implemented: SDCL 36-21B-3(5).

20:14:05:05. Acceptable experience. Acceptable experience includes appraisal

experience in performing:

(1) Appraisal;

(2) Appraisal review;

(3) Appraisal consulting;

(4) Mass appraisal.

For a real estate lending officer or a real estate broker acceptable appraisal experience

includes the actual performance of a real estate appraisal or a professional review of a real estate

appraisal, as determined by the secretary.

Case studies or practicum courses that are approved by the Appraiser Qualifications Board

Course Approval Program or state appraiser regulatory agencies, and non-client appraisal

experience, may be used to satisfy the appraisal experience requirement. Case studies, practicum

courses, and non-client appraisal experience may not exceed 50 percent of the total experience

requirement.

Source: 18 SDR 36, effective August 25, 1991; 24 SDR 91, effective January 8, 1998; 32

SDR 109, effective December 27, 2005; 32 SDR 109, adopted December 7, 2005, effective

January 1, 2008; 35 SDR 175, effective January 1, 2009; 40 SDR 121, effective January 7, 2014;

44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(7).

**Law Implemented:** SDCL 36-21B-3(7)(17).

20:14:05:21. Acceptable alternative appraisal experience. Experience obtained through

an alternative method other than the traditional supervisor/state-registered appraiser experience

model are acceptable to satisfy the experience requirements for state-licensed, state-certified

residential, and state-certified general appraiser credentials. Acceptable alternative methods

include:

(1) Practicum courses that are approved by the Appraiser Qualifications Board Course

Approval Program or state appraiser regulatory agencies;

(2) Practical Applications of Real Estate Appraisal (PAREA) programs approved by the

Appraiser Qualifications Board Course Approval Program or state appraiser regulatory agencies.

Partial credit will not be granted for completing only a portion of a PAREA program. Experience

credit will be granted upon verification of successful completion of an entire PAREA program for the state-licensed or state-certified residential appraiser credential, as applicable; and

(3) Experience Training Program governed by the department in accordance with § 20:14:15.

Source:

General Authority: SDCL 36-21B-3(1)(17)(21).

Law Implemented: SDCL 36-21B-3(1)(17)(21).

Note: There does not need to be a client traditional client, such as a client hiring an appraiser for a business purpose, in order for an appraisal to qualify for experience. With the exceptions of the Experience Training Program and PAREA programs, experience gained for work without a traditional client can meet any portion of the total experience requirement.

Reference: The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria, effective January 1, 2021, The Appraisal Foundation, Appraiser Qualifications

Board. Copies may be obtained from The Appraisal Foundation, free of charge at <a href="https://appraisalfoundation.org/imis/TAF/Standards/Qualification Criteria/Qualification Criteria/Physicalfoundation.org/imis/TAF/Standards/Qualification Criteria/Qualification Criteria/Physicalfoundation.org/imis/TAF/Standards/Qualification Criteria/Physicalfoundation.org/imis/TAF/Standards/Physicalfoundation

**20:14:13:02. Acceptable continuing education course topics.** Credit may be granted for courses that cover real estate topics related to appraisal and that maintain or increase the appraiser's

skill, knowledge, and competency in real property appraising, such as those listed in this section or the equivalent as determined by the secretary:

- (1) Ad valorem taxation;
- (2) Arbitration, dispute resolution;
- (3) Courses related to practice of real estate appraisal or consulting;
- (4) Development cost estimating;
- (5) Ethics, standards of professional practice, and uniform standards;
- (6) Land use planning and zoning;
- (7) Real estate litigation, damages, and condemnation;
- (8) Management, leasing, and timesharing;
- (9) Property development and partial interest;
- (10) Real estate law, easements, and legal interest;
- (11) Real estate financing and investment;
- (12) Real estate appraisal-related computer applications;
- (13) Real estate securities and syndication;
- (14) Developing opinions of real property value in appraisals that also include personal property and/or business value;
  - (15) Seller concessions and impact on value; and
  - (16) Energy efficient items and "green building" appraisals:
  - (17) Valuation bias, fair housing, or equal opportunity.

**Source:** 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:14, 20 SDR 6,

effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January

8, 1998; 32 SDR 109, effective December 27, 2005; 38 SDR 214, effective June 21, 2012.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:05.02. Acceptable distance education courses. A An asynchronous distance

education course is acceptable if:

(1) The course provides interaction. Interaction is a reciprocal environment where the

student has verbal or written communication with the instructor;

(2) Content approval is obtained from the Appraiser Qualifications Board, a state licensing

jurisdiction, or an accredited college, community college, or university that offers distance

education programs and is approved or accredited by the Commission on Colleges, a regional or

national accreditation association, or by an accrediting agency that is recognized by the U.S.

Secretary of Education. Nonacademic credit college courses provided by a college must be

approved by the Appraiser Qualifications Board or the state licensing jurisdiction; and

(3) Course delivery mechanism approval is obtained from one of the following sources:

(a) The Appraiser Qualifications Board;

(b) Appraiser Qualifications Board approved organizations providing approval of course

design and delivery (such as The Appraisal Foundation or other independent approved entity); or

(b)(c) A college that qualifies for content approval in subdivision (2) that awards

academic credit for the distance education course; or

(e)(d) A qualifying college for content approval with a distance education delivery

program that approves the course design and delivery that incorporate interactivity.

(4) Hybrid courses meet class hour requirements if each of its sessions meet the requirement

for delivery method employed:

(a) In-person courses must meet the class hour time requirement and § 20:14:13:05;

(b) Synchronous course session must meet the class hour time requirement and §

20:14:13:05; or

(c) Asynchronous course sessions must meet the class hour time requirement and §§

20:14:13:05 and 20:14:13:05.02.

**Source:** 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

**Cross-references:** Class hour, § 20:14:01:01(8)

20:14:13:05.03. Distance education -- Continuing education. Distance Asynchronous

distance education courses intended for use as continuing education must include at least one of

the following:

(1) A written examination proctored by an official approved by the college or university, or

by the sponsoring organization. Remote proctoring, including bio-metric proctoring procedures is

acceptable.; or

(2) Successful completion of prescribed course mechanisms required to demonstrate

knowledge of the subject matter.

For the purposes of this section the term bio-metric proctoring means continually verifying

the identity of the student through process, such as facial recognition, consistency in keystroke

cadence, and the observation of activity in the testing location.

Source: 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:05.04. Distance education -- Qualifying education. Distance education courses

intended for use as qualifying education must include a written closed-book final examination.

The examination must be proctored in-person or remotely by an official approved by the college

or university, or by the sponsoring organization. Bio-metric proctoring as set forth in §

20:14:13:05.03, is acceptable.

**Source:** 34 SDR 67, effective September 11, 2007.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

**CHAPTER 20:14:15** 

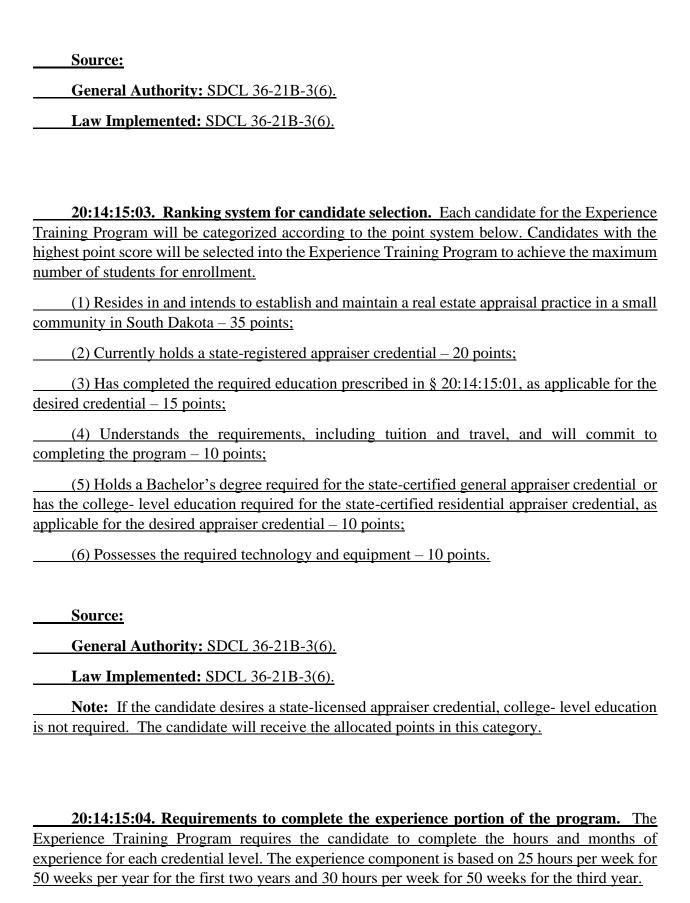
APPRAISER EXPERIENCE TRAINING PROGRAM

Section 20:14:15:01	Eligibility requirements.
20:14:15:02	Experience training program application.
20:14:15:03	Ranking system for candidate selection.
20:14:15:04	Requirements to complete the experience portion of the program.
20:14:15:05	Experience credit.
20:14:15:06	Requirements to complete the education portion of the program.
20:14:15:07	Grounds for dismissal from experience training program.
20:14:15:08	Certificate of completion.
20:14:15:09	Lead and associate trainer requirements.

# 20:14:15:01. Eligibility requirements. To be eligible to enroll in the Appraiser Experience Training Program the candidate must:

- (1) Have the state-registered appraiser credential, in good standing, which includes completing the educational requirements specified in § 20:14:05:06.01, completing the education program course, including the course examination, for state-registered appraiser specified in § 20:14: 05:06.02,
- (2) In addition to the requirements in subdivision (1), a candidate seeking the state-licensed or state-certified residential appraiser credential must have also successfully completed the following 60 hours of approved residential appraiser education:
  - (a) Residential market analysis and highest and best use -15 hours;
  - (b) Residential appraiser site valuation and cost approach 15 hours; and
  - (c) Residential sales comparison and income approaches 30 hours.

(3) In addition to the requirements in subdivision (2), the candidate, if seeking the state-
certified general appraiser credential must have completed the following 150 hours of approved
general appraiser education:
(a) General appraiser market analysis and highest and best use – 30 hours;
(b) General appraiser sales comparison approach – 30 hours;
(c) General appraiser income approach – 60 hours; and
(d) General appraiser site valuation and cost approach –30 hours.
Source:
<b>General Authority:</b> SDCL 36-21B-3(6)(21)
Law Implemented: SDCL 36-1B-3(6)
20:14:15:02. Experience training program application. Each candidate desiring to
participate in the Experience Training Program shall apply in writing on a form provided by the department. The application shall require, at a minimum, the following information:
(1) Name;
(2) Current business and/or home address;
(3) Email address and telephone number;
(4) Driver's license number and state of issuance (must be a South Dakota issued driver's
license);
(5) Appraiser education currently completed;
(6) Type of appraiser credential to be pursued;
(7) Area of the state applicant intends to practice real estate appraisal;
(8) College-level education currently completed, if any; and
(9) A sworn declaration that must be signed by the applicant.



Based on the prescribed experience component the experience hours and months will be completed
<u>as follows</u>
(1) To achieve the state-licensed appraiser credential, the first year will include the appraisal of noncomplex single-unit residential properties for a minimum of 1000 hours of experience, to be completed in no less than 6 months.
(2) To achieve the state-certified residential appraiser credential, an additional 6 months will include the appraisal of complex single-unit residential properties and two- to four-unit residential properties utilizing all applicable approaches to value for a minimum of 1,500 cumulative hours of experience, to be completed in no less than 12 months.
(3) To achieve the state-certified general appraiser credential, an additional 12 months will include the appraisal of nonresidential (commercial and agricultural) properties utilizing all applicable approaches to value for a minimum of 3,000 cumulative hours of experience, to be completed in no less than 18 months.
Source:  General Authority: SDCL 36-21B-3(6).  Law Implemented: SDCL 36-21B-3(6).
20:14:15:05. Experience credit. Partial experience credit will not be granted for completing only a portion of the Experience Training Program. A candidate must complete all of the experience hours for a credential level in order to be issued a certificate of completion pursuant to § 20:14:15:08.
Source:
General Authority: SDCL 36-21B-3(6).
Law Implemented: SDCL 36-21B-3(6).
20:14:15:06. Requirements to complete the education portion of the program. The

Experience Training Program requires the candidate to complete the Appraiser Qualification Board's required qualifying education for the desired credential. The education must be completed

according to a prescribed schedule in conjunction with the experience training schedule. The candidate must complete the required education, other than the qualifying education that has already been completed pursuant to § 20:14:15:01(3) or (4), as applicable, for the desired credential level as listed below:

- (1) State-licensed appraiser credential:
  - (a) Residential report writing and case studies -15 hours.
  - (2) State-certified residential appraiser credential:
    - (a) Residential report writing and case studies 15 hours;
    - (b) Statistics, modeling, and finance 15 hours;
    - (c) Advanced residential applications and case studies 15 hours;
    - (d) Appraisal subject matter electives 20 hours.
  - (3) State-certified general appraiser credential:
    - (a) Statistics, modeling, and finance 15 hours;
    - (b) General appraiser report writing and case studies 30 hours;
    - (c) Appraisal subject matter electives 30 hours.

Source:

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:15:07. Grounds for dismissal from experience training program. The department or institution administering Experience Training Program may dismiss a candidate for failure to comply with the following requirements:

- (1) Attend all of the in-person and virtual classroom hours of instruction;
- (2) Participate in all of the field work that includes, but is not limited to, the following:
  - (a)property inspections,
  - (b) gathering market data, and
  - (c) working with local appraisers to develop geographic competency;
- (3) Complete all course assignments as prescribed in the course syllabus; and

(4) Complete the AQB-required qualifying education for the desired credential in the
prescribed timeframe.
In the case of an excused absence during the in-person or virtual classroom hours of
instruction in subsection (1), the student must review the applicable recorded classroom or virtual
presentation for the training that was missed during the absence. In the case of an excused absence
for the scheduled field work in subsection (2), the student must complete the field work
independently.
independentry.
If a candidate is in noncompliance with the above course requirements, the lead trainer will
notify the student in writing detailing the specific deficiencies. The lead trainer will grant the
student 30 days in which the cited deficiencies must be corrected to avoid dismissal from the
Experience Training Program.
Source:
- Sources
General Authority: SDCL 36-21B-3(6).
Low Implemented, SDCI 26 21D 2(6)
Law Implemented: SDCL 36-21B-3(6).
20:14:15:08. Certificate of completion. A certificate of completion will be issued when a
<del>-</del>
candidate has successfully completed all of the requirements of the Experience Training Program,
including the experience and education components, in the specified timeframe for the desired
credential. A certificate of completion shall designate the specific appraiser credential for state-
licensed, state-certified residential or state-certified general appraiser that the candidate has
achieved by completing the prescribed components of the Experience Training Program. The
candidate may then apply to the department for the specific appraiser credential that is designated
in the certificate of completion.
Source:
General Authority: SDCL 36-21B-3(6).
Law Implemented: SDCI 26 21B 2(6)
Law Implemented: SDCL 36-21B-3(6).

<u>20:14:15:09. Lead and associate trainer requirements.</u> Lead and associate trainers must meet the following requirements:

- (1) Have the knowledge and experience in the types of appraisal assignments that the lead trainer is supervising pursuant to the competency rule of the uniform standards and §20:14:09:02;
- (2) Have sufficient appraisal experience as a state-certified residential or state-certified general appraiser, as determined by the department;
- (3) Have been in good standing, for a period of at least five years, in every jurisdiction in which the appraiser is certified;
- (4) Have successfully completed, with the requirement of passing the course examination, an education program provided by the department as specified in the requirements of § 20:14:04:14(4);
- (5) Apply for, and be granted the supervisory endorsement credential;
- (6) Maintain the supervisory endorsement credential; and
  - (7) Submit to a state and federal criminal background investigation

## **Source:**

**General Authority:** SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).